

1 A Well, Peter Price was the president and chief
2 operating officer. He was the most senior person in the
3 management of the company that was full time at the company.
4 And we was responsible for running the company day-to-day,
5 for all aspects of the company. Under Peter, of course, we
6 have our various law firms charged with their individual
7 responsibilities. The ones that are relevant I think to
8 this hearing would be the regulatory compliance law firms.
9 And they also reported to Peter.

10 JUDGE SIPPEL: You're not suggesting that you have
11 an equity interest in the law firms.

12 THE WITNESS: No.

13 JUDGE SIPPEL: Okay.

14 THE WITNESS: I'm not suggesting that.

15 JUDGE SIPPEL: These are firms that you are on
16 retainer.

17 THE WITNESS: Yes. And these are -- the ones that
18 reported to Peter are Constantine & Partners and the
19 Ginsberg firm, and at some point, the Wiley firm.

20 BY MR. SPITZER:

21 Q And Pepper & Corazzini?

22 A And Pepper -- didn't I mention Pepper & Corazzini?

23 Q I don't think so.

24 A Oh, Pepper & Corazzini. I think I mentioned
25 Pepper & Corazzini, then Ginsberg, then Wiley, Rein. I

1 think those are the -- those are the three relevant firms.

2 JUDGE SIPPEL: You mentioned Constantine -- the
3 Constantine firm, also.

4 THE WITNESS: Yes.

5 JUDGE SIPPEL: So that's four firms.

6 THE WITNESS: And Constantine, yes. Constantine
7 reports to me, not to Peter.

8 BY MR. SPITZER:

9 Q So can you describe the additional aspects of
10 Liberty Cable's management structure to the extent you're
11 aware of it reporting to Peter? Are there others, as well?

12 A From operations, a fellow by the name of Tony
13 Ontiveros ran operations. And Behrooz Nourain ran
14 engineering. Anne Rosenberg ran customer service. And
15 various people during that period of time ran marketing.
16 Currently, Jennifer Walden runs marketing. Prior to
17 Jennifer, Bertina ran marketing. And there were some others
18 who ran marketing. But those are all the reports to Peter.

19 Q What were the instructions that you gave Mr. Price
20 with respect to the circumstances in which he was to bring
21 particular problems or issues to your attention?

22 A I didn't instruct him per se. My method of
23 finding out what was going on at this company, at the
24 Liberty company was similar to my other companies which is I
25 would hold a weekly meeting. And at that meeting, we would

1 review what was going on within the company. And any issues
2 that either Peter thought warranted my attention or, after
3 discussing various things, I thought warranted my attention.
4 But in general, the strategic issues of the company were my
5 area. And the day-to-day and implementing of those
6 strategies was Peter's task which, as I say, I never
7 specifically instructed Peter that that was the case. But I
8 think that was fairly obvious and well understood.

9 Q What was your understanding with respect to the
10 regulatory structure relating to the use of an 18 gigahertz
11 transmission system by which means Liberty transmitted its
12 video signal?

13 A Well, I understood that the FCC had jurisdiction
14 in this matter; and that there were rules that had to be
15 complied with. To that end, I know Peter was aware of the
16 same thing. Peter located an expert in the field by the
17 name of Joe Stern. Joe Stern worked with Peter to put
18 together the appropriate team of a law firm. And he
19 selected Pepper & Corazzini. And he also selected an
20 engineer and recommended him to Peter who Peter hired by the
21 name of Behrooz Nourain. And with the advice and the
22 blessing of this fellow, Joe Stern, Peter set up and
23 provided that interface to be sure we were complying with
24 the regulatory requirements to operate in the 18 gigahertz
25 spectrum.

1 Q So from your perspective, who were the individuals
2 who were primarily responsible for handling whatever
3 regulatory structure the FCC had created for 18 gigahertz?

4 A Pepper & Corazzini, Behrooz and Peter.

5 Q I gather that some of the other businesses in
6 which you have an interest are also operating in the
7 regulatory environment?

8 MR. HOLT: Objection. Irrelevant.

9 JUDGE SIPPEL: Background?

10 MR. SPITZER: Well, as it relates, Your Honor,
11 just to the Witness' understanding of regulatory structure
12 and how business would interact with a regulatory agency.

13 JUDGE SIPPEL: Restricted just to his business.

14 MR. SPITZER: That's correct, Your Honor.

15 JUDGE SIPPEL: I'll permit it. Overruled.

16 THE WITNESS: Well, in our banking business, of
17 course, we are very tightly regulated by the Federal
18 Reserve. And we are inspected -- get stem to stern
19 inspections quite regularly. So in my role as co-chairman
20 of the bank, of course, I'm quite familiar with that.
21 Additionally, being in the real estate business primarily in
22 New York City, we operate in a highly regulated environment,
23 particularly in the rental apartment business which, you
24 know, the rent control and rent stabilization still exists
25 in New York City.

1 BY MR. SPITZER:

2 Q When did you first become aware that there was an
3 issue with respect to Liberty Cable's transmitting signal on
4 paths that had not been properly licensed by the FCC?

5 A Well, I became aware that there was a concern that
6 it might not be properly licensed sometime in late April of
7 '95. I didn't actually get concerned that we had been
8 operating illegally. I was concerned that we had to find
9 out in late April. But until Lloyd Constantine reported
10 back to me that there in fact was a real problem here which
11 would have been some number of days later, perhaps in early
12 May sometime, I didn't have any -- let's say I was surprised
13 to learn that we had been operating out of compliance in
14 some cases.

15 Q And do you recall what your reaction was?

16 A Well, of course I was very concerned about. I
17 immediately -- well, first when I heard that there might be
18 an issue, I immediately called in our outside counsel --
19 senior outside counsel, Lloyd Constantine, to look into the
20 matter. When he reported back to me that, in fact, there
21 was a -- a problem and we would have to, you know, find out
22 the scope of it, I was very concerned for two reasons: 1)
23 we have to -- we have regulations that we operate under and
24 we have to comply with the regulations, 2) because of the
25 nature of our competitor in New York, Time Warner, you know,

1 they are very aggressive in taking any bit of news and
2 disseminating it to the public in a way that is not positive
3 for our business. So I was concerned what they might do
4 with this information, as well.

5 Q What did you do in response to --

6 MR. SPITZER: Yes, sir?

7 JUDGE SIPPEL: If I've got this -- if I have
8 this -- these were the thoughts that were in your mind or
9 the concerns that you had at the time that you heard that
10 there might be a problem, Mr. Milstein; late April?

11 THE WITNESS: No, that's when I heard that there
12 was a problem. When I heard there might be a problem, my
13 first thought was this is a probably a filing error. We
14 probably have these licenses in a bottom drawer somewhere.
15 There must -- I -- I doubted that we were actually out of
16 compliance because, you know, our whole policy is to be in
17 compliance. It didn't make sense to me that we wouldn't
18 have made the proper filings because we had hired the law
19 firm, we hired the special engineer. We had all these
20 things geared up to make sure that we were in compliance.

21 JUDGE SIPPEL: All right. I just want to be sure
22 that I've got this -- because you're testifying to the same
23 thing really in two different time frames. One is the late
24 April of '85 -- in '95 rather, and then the other is at a
25 later time when you got more information from your outside

1 counsel.

2 THE WITNESS: Right, right.

3 JUDGE SIPPEL: All right. I don't -- I think he's
4 clarified it my mind.

5 MR. SPITZER: Let me just ask -- let's review it
6 one more time because I think this is important, Your Honor.

7 BY MR. SPITZER:

8 Q At first you testified I believe that there was
9 some uncertainty in your mind about whether or not there was
10 a failure of compliance, is that correct?

11 A Yes. I thought it was unlikely that in fact we
12 had done something this off the mark or we had failed to
13 comply fully with our requirements. I thought that was
14 unlikely.

15 Q And the reason you felt that was unlikely is --

16 A Well, because we had gone to great lengths to set
17 up a system to comply and great expense. And the whole
18 principle is if you want to be in this business, you do have
19 to comply. So I really didn't -- I thought that this might
20 be simply that we had licenses that no one had laid their
21 hands on, or I wasn't sure what the problem was. And that's
22 why I asked Lloyd to look into it and report back to me on
23 whether or not there was a problem and, if so, the extent of
24 it.

25 Q Then the second stage when you determined that

1 there was indeed such a problem, at that point, what was
2 your reaction?

3 A Well, at that point, I was quite disturbed. I
4 reviewed my deposition before I came in here on this matter.
5 And I guess the adjectives I used is I said I was shocked,
6 dismayed, horrified, mortified and a few other adjectives.
7 But those are all within the range. And I was quite furious
8 that we could have opened ourselves up in a way like this
9 and exposed the business.

10 Q And what did you do in response to your discovery
11 that in fact what had begun as an allegation was in fact an
12 accurate allegation?

13 A Well, I immediately authorized Mr. Constantine to
14 have as full an investigation as could be done; to look into
15 this matter completely and find out the full extent of the
16 problem. I also instructed him to find out who was at
17 fault, find out how it had happened, and to devise a
18 compliance program that would be absolutely guaranteed to
19 assure that this would never happen again.

20 Q Was anything done with that compliance program?

21 A Oh, yes. That was put into effect as soon as it
22 was formulated.

23 Q Did you ever encourage or approve either tacitly
24 or otherwise premature activation of paths?

25 A No, I would never do that.

1 MR. SPITZER: I have nothing further, Your Honor.

2 JUDGE SIPPEL: Cross examination?

3 CROSS EXAMINATION

4 BY MR. BECKNER:

5 Q Good morning, Mr. Milstein. I think we've met
6 before.

7 A Good morning.

8 Q My name is Bruce Beckner. I represent Time Warner
9 Cable. In your direct testimony, you identified a number of
10 people including Mr. Price, Mr. Nourain, Mr. Ontiveros, Ms.
11 Ceccarelli and Ms. Walden. Was there not also at one time a
12 gentleman named Bruce McKinnon who worked for Liberty Cable?

13 A Yes, there was.

14 Q Okay. And where did he fit within this structure
15 that you've described?

16 A Bruce McKinnon was hired to beef up our operations
17 in the event that we started installing more than a thousand
18 subscribers per month. We were planning for ramping up our
19 installations. And since he had been in the cable TV
20 business, he was going to run the inside operations in a
21 ramped-up mode and would complement Peter Price's skill set
22 which is more in the -- as I discussed in my deposition,
23 he's more Mr. Outside involved with sales and marketing.

24 And McKinnon had more of a background of
25 internally running a company. And so McKinnon was hired

1 with the idea that the 500 or a thousand subscribers a month
2 we were installing would go up to two or three or five
3 thousand a month in which case we would need more strength
4 in the installation area to run a number of teams of
5 installers.

6 Q When McKinnon -- when Mr. McKinnon was working for
7 your company, did he have any responsibilities for licensing
8 -- FCC licensing?

9 A He may have been involved with Behrooz to some
10 involvement. Behrooz reported to McKinnon in operations
11 while he was there as opposed to Peter. But when McKinnon
12 left, then Behrooz reported directly to Peter.

13 Q Do you know whether or not McKinnon was the one
14 who -- at the time who was working for Liberty who actually
15 had the authority to tell Behrooz to turn on a particular
16 microwave path? Is that something he did?

17 A No, I don't know exactly how that process worked.

18 Q Okay. Now, you mentioned that, you know, you --
19 you had these weekly meetings with Liberty. And those were
20 held every week on Thursday, isn't that correct?

21 A Well, in general, they were held on Thursday. But
22 if there were a holiday, then it might be on a Wednesday.
23 But in general, they were held on Thursday afternoons
24 beginning at 5:00 in the afternoon.

25 Q Okay. And this -- these meetings were attended by

1 Mr. Price, Mr. Ontiveros and your brother, Edward Milstein,
2 among others, is that right?

3 A That's correct.

4 Q Okay. And this -- this practice was true in 1994
5 as well as the first half of 1995, this practice of holding
6 these meetings, is that right?

7 A That's correct.

8 Q Okay. And one of the things that you discussed at
9 the meetings was the progress of new installations, was it
10 not?

11 A That's correct.

12 Q And you reviewed something that Tony Ontiveros
13 prepared called an installation progress report.

14 Q Correct.

15 Q Okay. I'd like you to take a look at Exhibit 14
16 in the -- I think it's the fat notebook that's sitting there
17 in front of you.

18 A Fourteen did you say?

19 Q Yes.

20 A Yes.

21 Q And just to make sure we're on the -- the first
22 page of the document should have stamp that says, "TW/CV
23 Exhibit 14". Is that what you're looking at, sir?

24 A Yes.

25 Q Okay. Do you recognize this as a copy of an

1 installation progress report?

2 A Yes.

3 Q Okay. Now, drawing your attention to this
4 particular report, that is the one that says, "February
5 23rd, 1995", do you recall looking at this particular
6 report?

7 A No.

8 Q Do you have any reason to believe you didn't look
9 at this particular report after it was prepared?

10 A No, other than the fact that February 23rd is
11 maybe around the President's Birthday holiday. I'm not sure
12 exactly what date that falls on or the Monday. And
13 sometimes I'm away for as much as a week around that time of
14 year. So it's possible I didn't see it at the time it was
15 prepared. But it's sent to me. So I would have seen this
16 at the time that it was prepared more or less, give or take
17 a week.

18 Q Now, looking at the first page under the headline,
19 "Current Projects", do you see Waterside Plaza there as one
20 of the ones listed?

21 A Yes.

22 Q Okay. And there's a contract date of 6/7/94.

1 Q Okay. And then there's a start date of 3/95. Do
2 you remember noticing that there had been a long period of
3 time that had passed between when the contract was signed
4 and when work started on installing service in Waterside
5 Plaza?

6 A No, I don't.

7 Q As you sit here today, would that large time gap
8 be something that would attract your attention if you were
9 looking at this report for the first time?

10 A Yes, it would.

11 Q And so that would be something that you might
12 bring up with Mr. Ontiveros and Mr. Price in a weekly
13 meeting?

14 A Yes.

15 Q And you'd be looking for them to give you some
16 sort of explanation for the delay, would you not?

17 A Yes. I would note that if you look at this -- the
18 contract dates and the start dates, they all seem to be
19 quite long. I see four months, five months. So there may
20 have been something going on at the time that was delaying
21 the installations. In fact, as you know, during this period
22 -- I believe during this period, Time Warner was opposing
23 the granting of licenses or temporary licenses to our
24 company. And so I would surmise looking at this today that
25 I'm looking at the symptoms of that opposition which was a

1 delay from the time we signed contracts until the time we
2 were able to install them, the most egregious case being
3 Waterside Plaza where it's a full nine months.

4 Q Now, your contracts -- your standard contract has
5 120-day install date provision in it, does it not? In other
6 words, you give yourself 120 days to install the service
7 from the date you sign the contract with the owner of the
8 building, isn't that right?

9 A Yes, you informed me of that fact during my
10 deposition. I wasn't aware of it when you informed me of
11 it.

12 Q Okay. And do you have any reason to believe that
13 that's not correct?

14 A No.

15 Q Okay.

16 A You showed me the contract. It had that language.
17 And I said fine -- okay, fine. So that clearly violates
18 that standard. So these people could have terminated the
19 contract and said, hey, you didn't do it in 120 days if in
20 fact Waterside has that provision which I don't know to be a
21 fact. But if it did, they would have that right.

22 Q And given that, as you just mentioned in answer to
23 the previous question that there was -- there was a large
24 delay between a number of these contract dates and the start
25 dates, wouldn't that have been something that would have

1 been discussed at the weekly meeting following the issuance
2 of this progress report we're looking at here?

3 A Well, I'll bring you back to my original answer
4 which is that since there seems to be an unusual delay
5 across the board, there may have been a systemic answer.
6 And so, therefore, it might not have been a topic of
7 discussion. In other words, if the reason why installations
8 are not going forward at this time is because Time Warner is
9 opposing our license applications at the Commission, so we
10 can't get licenses; we can't get STAs, well, then that's
11 known and it wouldn't be surprising.

12 It appears that by the time, you know, this was
13 done, that it was resolved and we thought that we would
14 begin in 3/95, or it may just be that operations was taking
15 an optimistic looking and saying, well, we know we can't do
16 it in February, but maybe it will be resolved by March; so
17 we'll put it on the docket for March. It may have developed
18 that we still didn't have the licenses in March in which
19 case we couldn't do it either. So this is -- assuming we
20 get the licenses, I guess this is what they intend to do.
21 That's the way I would read it.

22 Q Do you know whether or not at the time that this
23 report was prepared or shortly thereafter, that is in the
24 next week or two after February 23rd, you in fact knew that
25 Time Warner was opposing Liberty's applications of the FCC?

1 A I don't know exactly in what time frames Time
2 Warner was opposing our applications. But I know they -- at
3 some point along the line, they were opposing these
4 applications quite successfully and delaying our
5 installations.

6 Q Okay. But just to bring you back if I might to
7 this particular report and any discussion of it that you may
8 remember, I take it that your answer is that you don't
9 remember having a discussion about the reasons for the
10 numerous delays that are reflected in this report.

11 A That's correct.

12 Q And I take it from your testimony that your belief
13 is is that one reason why you might not have had that
14 discussion is if there was as you describe it a systemic
15 problem such as the knowledge that everyone had that the
16 reason for these delays was Time Warner's oppositions being
17 filed at the FCC.

18 A That's correct.

19 Q Okay.

20 JUDGE SIPPEL: Are you finished with this page or
21 with Waterside?

22 MR. BECKNER: Yes, sir.

23 JUDGE SIPPEL: I just -- I'm sorry to interrupt
24 your -- but I'd like to ask a -- some clarification on this
25 for myself. On Waterside, the start date is dated March '95

1 and this report is dated February 23. So I take it that
2 that start date was an estimated date.

3 THE WITNESS: That's correct.

4 JUDGE SIPPEL: Okay. Now, according to the
5 Appendix A of the hearing designation order, the license was
6 applied for on February the 21st of 1995 which would leave a
7 period of -- well, it could actually be just a couple of
8 days to March -- from February to March --

9 THE WITNESS: Or up to 39 days, Your Honor.

10 JUDGE SIPPEL: Or up to 39 days?

11 THE WITNESS: Yes. Thirty -- thirty-one days of
12 March, plus the nine days that were remaining --

13 JUDGE SIPPEL: Oh.

14 THE WITNESS: -- or eight or nine days remaining
15 in February.

16 JUDGE SIPPEL: Okay. So that was --

17 THE WITNESS: Right.

18 JUDGE SIPPEL: -- a full month that you would be -

19 -

20 THE WITNESS: Yes.

21 JUDGE SIPPEL: I mean, is this -- this is what
22 this column meant, Column 1.

23 THE WITNESS: Yes. That -- that still seems very
24 skinny, Your Honor. That doesn't -- we -- it wasn't our
25 experience that the FCC reacted quickly to these things. So

1 if someone had said to me we are planning to install this
2 in, you know, 40 days from the day we applied, I would say,
3 well, you better that application very carefully because,
4 you know, it might take longer. Make sure we --

5 JUDGE SIPPEL: Well, let me just say, I follow
6 what you're saying. But this -- I'm trying to determine as
7 to what -- how much information does a current project
8 report give you like this if it doesn't tie it in with the
9 date the application was applied for if you're focused on
10 applications. And I don't know whether you were or not, but
11 --

12 THE WITNESS: No, that was not the focus. The
13 focus was staffing -- the operations report focus was how
14 rapidly are we installing customers so that I get a total
15 sense of what the load -- in other words, this whole issue
16 of whether we needed McKinnon to ramp-up to install more
17 people which would be a very big picture kind of concern, I
18 was measuring that on a weekly basis to make sure we had
19 enough strength in operations to install the demand. So it
20 wasn't -- we weren't trying to figure out at that meeting
21 had we complied with getting the license. That was done
22 elsewhere.

23 JUDGE SIPPEL: Well, no. I'm saying that you're
24 not even focused on whether or not a license has been
25 applied for. This is all -- you're going from contract to

1 start.

2 THE WITNESS: That's correct, Your Honor.

3 JUDGE SIPPEL: Okay. And, also, this report
4 doesn't factor in what is going on with your competitors in
5 terms of trying to oppose the application.

6 THE WITNESS: That's correct, Your Honor.

7 JUDGE SIPPEL: Is there some other -- was there
8 some other way in which that kind of information was
9 reported to you on a regular basis?

10 THE WITNESS: No, Your Honor.

11 JUDGE SIPPEL: That was not in your spear of
12 influence or --

13 THE WITNESS: No. No, that would be something
14 where I would get either a progress -- a status report from
15 Peter Price or I might get on the phone with the relevant
16 attorneys and say what's the story. And they'd say, well,
17 we're mixed up with this or this is being delayed or that's
18 going on. But I didn't get any regular written reports. In
19 fact, I didn't get any written reports on the regulatory
20 issues.

21 JUDGE SIPPEL: Was there a -- was there a -- as
22 the chief executive officer, was that a decision that you
23 made that you didn't want to get any written reports on that
24 kind of information; you wanted to receive that information
25 in some other form? In other words, was that an executive

1 decision that you made?

2 THE WITNESS: Well, in retrospect, it probably was
3 a poor policy. But at the time, not fully understanding
4 everything that was involved and not understanding the
5 potential weaknesses in the system that we had in place, I
6 thought it was a fairly straight-forward matter if you had
7 the proper attorneys to find out what was required and to
8 have the proper engineers and fulfill what was required.
9 Since I'm not an engineer by training and I have no
10 expertise in FCC law by training, I didn't think it was
11 necessary or appropriate for me to be in the middle of that
12 process as long as I knew it was being done properly.

13 And by having Peter personally involved in it who
14 was the full time executive at the company involved in these
15 kinds of matters, I thought that it should be taken care of
16 properly. Certainly, that was the policy of the company to
17 take care of it properly. And we went to great expense and
18 great lengths to make sure that it would be done properly.
19 So that's why I personally wasn't involved in it.

20 JUDGE SIPPEL: All right. That was a lot of --
21 that was a lot of information on this. Let me ask the
22 question in this way. I'm looking -- I'm -- what I would be
23 able to do would be to line up, say, five documents coming
24 out of your organization that would show me from start to
25 finish exactly what happened with -- with Waterside Plaza.

1 That -- and I want the documents to be the same documents
2 that you saw in the course of your business. There wouldn't
3 be such documents, would there?

4 THE WITNESS: That's correct, Your Honor.

5 JUDGE SIPPEL: Okay.

6 BY MR. BECKNER:

7 Q As long as we're on Waterside, let me just ask you
8 one other question, if I may, Mr. Milstein. In the last
9 column under Waterside Plaza, there's a heading, "Status",
10 and there's the abbreviation, "INST 3/15". Do you
11 understand that to mean that the installation is to begin on
12 March 15 and is it Building 30?

13 A Yes.

14 Q That's what that means?

15 A That means pending having complete approvals and
16 licenses, that we intend to start on the 15th. That's --
17 that's what operations -- in other words, Tony -- this is
18 Tony's report. He's operations.

19 Q Ontiveros?

20 A That's right. Behrooz has to sign-off and turn it
21 over to Tony and say, yes, you can install. That process is
22 coordinated by Peter. And my understanding is there were
23 regularly weekly meetings between Peter and Tony and
24 Behrooz, although I never attended any of those meetings.
25 That would have been the mechanics of running the business.

1 And I wasn't that involved in the business. So that's what
2 that means.

3 Q So if you -- when you saw this particular report
4 and it said, as it says here installation 3/15 in Building
5 30, then you assumed that Mr. Price, Mr. Ontiveros and Mr.
6 Nourain either had a license to begin that installation or
7 expected that they would have a license to begin that
8 installation by the 15th of March.

9 A That's correct. And further, I would just
10 elaborate that if you look at -- since these came out
11 weekly, you know, we have a -- a very long 52 of these a
12 year for a number of years -- you'll notice if you look at
13 these as a whole, that these dates in the right-hand column
14 slip a lot. They could slip by months. One of the reasons
15 they might slip by months would be if we don't have the
16 license. So it's not as though this is cast in stone on the
17 right. This is just operations.

18 Now, operations is prepared and ready to start
19 installing on March 15th if everything is in order which
20 would include the licenses but not be limited to the
21 licenses. They need equipment to be delivered. They have
22 to have men available. They have a lot of pieces they have
23 to put in place. And this is the operations report as to
24 when they expect to be ready.

25 But they have to get pieces in place, one of which

1 was the regulatory approval. And in many cases, you will
2 see if you look at these 52 of these a year, that the status
3 report I would say probably even more often than not would
4 slip. In other words, the projected date -- the first time
5 a building appears on this list with its projected date,
6 that it would slip into a future week or month or a few
7 months later.

8 Q Well, let's see -- another part of the report,
9 let's see if that's accurate or optimistic. At the very top
10 of the page, there is, for example, an address of 55 West
11 End Avenue.

12 A Right.

13 Q And in the status column, it says, "Complete."

14 A Right.

15 Q Now, is that -- is that optimistic or does that in
16 fact mean it's not?

17 A Once -- everything that says, "Complete", or, "In
18 Progress", that's actually happening.

19 Q Okay.

20 A Okay? In progress means there are men there with
21 screwdrivers doing what they do.

22 Q Okay. And complete means that --

23 A Complete means the installation team has left the
24 building.

25 Q Okay. And so a person living at 55 West End

1 Avenue who subscribes to Liberty Cable on February 23rd,
2 1995 is watching a show on Liberty Cable in that apartment,
3 is that right?

4 A That's correct.

5 Q Okay. Maybe you can tell us about one other
6 column here, and that's the column that says, "End." Again,
7 looking at West End Avenue -- 55 West End Avenue, there's a
8 date of 1/13/95 --

9 A Right.

10 Q -- as the end date. Is that the date when they
11 had finished the installation work? Is that what that
12 means?

13 A That's the date when they finished hooking up the
14 last subscriber who signed up during the initial subscriber
15 phase.

16 Q Right. Okay.

17 A And then the team left. Now, if a person moved
18 into the building the next day, they would call up Liberty
19 and they would send up a technician. They'd install that
20 particular subscriber. But in a building, there's a
21 construction phase where you're installing the system and
22 you're hooking up the subscribers who signed up initially.
23 And then that comes to an end. And then there's also a
24 certain amount of churn that goes on in many buildings where
25 some people move out of the building; they terminate their

1 service. Others move in and start their service. So that
2 would not be addressed by this report. That's why it ends.
3 It's the construction phase that ends --

4 Q Okay. Thank you.

5 A -- in the initial installation phase.

6 Q All right. So anybody -- anybody in your company
7 who attended these weekly meetings looking at this report
8 would know that 55 West End Avenue was turned as of -- as of
9 the day of the report if not sooner, is that right?

10 A Yes.

11 Q Okay. And Mr. Price would know that?

12 A Yes.

13 Q Okay. Mr. Milstein, I'm going to ask you some
14 questions about another series of events which may or may
15 not have had anything to do with what happened. In
16 September of 1994 and running at least through March of 1995
17 off and on, you were having discussions between Liberty and
18 a Canadian company called Videotron about a possible sale of
19 Liberty to Videotron, were you not?

20 A Sale of an interest in Liberty to Videotron. Not
21 the sale of the whole company.

22 Q Okay. And in fact, in March 1995, you and Mr.
23 Price met in your office with some of the principals of
24 Videotron and their attorneys to discuss this possible sale
25 of interest in Liberty. Do you remember that?